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HOUSE BILL 283

46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004

INTRODUCED BY

Luciano "Lucky" Varela

AN ACT

RELATING TO PUBLIC EMPLOYEE GROUP INSURANCE; RAISING THE PUBLIC
EMPLOYEE SALARY BRACKETS USED TO DETERMINE EMPLOYER INSURANCE
PREMIUM CONTRIBUTION LEVELS; AMENDING SECTIONS 10-7-4 AND
22-29-10 NMSA 1978 (BEING LAWS 1941, CHAPTER 188, SECTION 1 AND
LAWS 1989, CHAPTER 373, SECTION 5, AS AMENDED).

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 10-7-4 NMSA 1978 (being Laws 1941,
Chapter 188, Section 1, as amended) is amended to read:

"10-7-4. GROUP INSURANCE--CAFETERIA PLAN--CONTRIBUTIONS
FROM PUBLIC FUNDS.--

A. All state departments and institutions and all
political subdivisions of the state, excluding municipalities,
counties and political subdivisions of the state with twenty-
five employees or fewer, shall cooperate in providing group

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1 term life, medical or disability income insurance for the
2 benefit of eligible employees or salaried officers of the
3 respective departments, institutions and subdivisions.

4 B. The group insurance contributions of the state
5 or any of its departments or institutions, including
6 institutions of higher education and the public schools, shall
7 be made as follows:

8 (1) [~~seventy-five~~] eighty percent of the cost
9 of the insurance of an employee whose annual salary is less
10 than [~~fifteen thousand dollars (\$15,000)~~] twenty-five thousand
11 dollars (\$25,000);

12 (2) [~~seventy~~] seventy-five percent of the cost
13 of the insurance of an employee whose annual salary is [~~fifteen~~
14 ~~thousand dollars (\$15,000)~~] twenty-five thousand dollars
15 (\$25,000) or more but less than [~~twenty thousand dollars~~
16 ~~(\$20,000)~~] thirty-five thousand dollars (\$35,000);

17 (3) [~~sixty-five~~] seventy percent of the cost
18 of the insurance of an employee whose annual salary is [~~twenty~~
19 ~~thousand dollars (\$20,000)~~] thirty-five thousand dollars
20 (\$35,000) or more but less than [~~twenty-five thousand dollars~~
21 ~~(\$25,000)~~] forty-five thousand dollars (\$45,000); or

22 (4) [~~sixty~~] sixty-five percent of the cost of
23 the insurance of an employee whose annual salary is [~~twenty-~~
24 ~~five thousand dollars (\$25,000)~~] forty-five thousand dollars
25 (\$45,000) or more; and

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[bracketed material] = delete

1 (5) the state shall not make any group
2 insurance contributions for legislators. A legislator shall be
3 eligible for group benefits only if the legislator contributes
4 one hundred percent of the cost of the insurance.

5 As used in this subsection, "cost of the insurance" means
6 the premium required to be paid to provide coverages. Any
7 contributions of the political subdivisions of the state,
8 except the public schools and political subdivisions of the
9 state with twenty-five employees or fewer, shall not exceed
10 sixty percent of the cost of the insurance.

11 C. When a public employee elects to participate in
12 a cafeteria plan as authorized by the Cafeteria Plan Act and
13 enters into a salary reduction agreement with the governmental
14 employer, the provision of Subsection B of this section with
15 respect to the maximum contributions that can be made by the
16 employer are not violated and will still apply. The employer
17 percentage or dollar contributions as provided in Subsection B
18 of this section shall be determined by the employee's gross
19 salary prior to any salary reduction agreement.

20 D. Any group medical insurance plan offered
21 pursuant to this section shall include effective cost-
22 containment measures to control the growth of health care
23 costs. The responsible public body that administers a plan
24 offered pursuant to this section shall report annually by
25 September 1 to appropriate interim legislative committees on

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[bracketed material] = delete

1 the effectiveness of the cost-containment measures required by
2 this subsection."

3 Section 2. Section 22-29-10 NMSA 1978 (being Laws 1989,
4 Chapter 373, Section 5, as amended) is amended to read:

5 "22-29-10. GROUP INSURANCE CONTRIBUTIONS.--

6 A. Group insurance contributions for school
7 districts, charter schools and participating entities in the
8 authority shall be made as follows:

9 (1) [~~seventy-five~~] eighty percent of the cost
10 of the insurance of an employee whose annual salary is less
11 than [~~fifteen thousand dollars (\$15,000)~~] twenty-five thousand
12 dollars (\$25,000);

13 (2) [~~seventy~~] seventy-five percent of the cost
14 of the insurance of an employee whose annual salary is [~~fifteen~~
15 ~~thousand dollars (\$15,000)~~] twenty-five thousand dollars
16 (\$25,000) or more but less than [~~twenty thousand dollars~~
17 ~~(\$20,000)~~] thirty-five thousand dollars (\$35,000);

18 (3) [~~sixty-five~~] seventy percent of the cost
19 of the insurance of an employee whose annual salary is [~~twenty~~
20 ~~thousand dollars (\$20,000)~~] thirty-five thousand dollars
21 (\$35,000) or more but less than [~~twenty-five thousand dollars~~
22 ~~(\$25,000)~~] forty-five thousand dollars (\$45,000); or

23 (4) [~~sixty~~] sixty-five percent of the cost of
24 the insurance of an employee whose annual salary is [~~twenty-~~
25 ~~five thousand dollars (\$25,000)~~] forty-five thousand dollars

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